

CORRECTED FISCAL NOTE

HB 603 - SB 1186

March 21, 2005

SUMMARY OF BILL: Makes all veterans with 100% permanent total disability eligible for property tax relief. Currently such a disability must be "combat-related". Additionally, the bill would provide property tax relief for disabled veterans on the first \$175,000 of a home's market value. Currently, this form of relief is provided for the first \$140,000 of a home's market value.

ESTIMATED FISCAL IMPACT:

On February 17, 2005 we issued a fiscal note on this bill indicating a *recurring increase in state expenditures exceeding \$6,000,000*. This estimate was based upon an average annual property tax reimbursement of \$722 per qualifying veteran and at least 7,246 new qualifying veterans as a result of the expanded definition provided by the bill. Based on more specific information obtained from the Comptroller of the Treasury and the United States Department of Veterans' Affairs, the estimated fiscal impact has been revised to reflect at least 2,595 new qualifying veterans. As a result, the estimated fiscal impact of this bill is:

(Corrected)

Increase State Expenditures – Exceeds \$2,200,000

Assumptions:

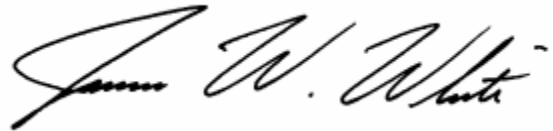
- The number of veterans and widows of disabled veterans who currently qualify is equal to the number that qualified in 2003.
- The total number of veterans and widows of disabled veterans that would qualify is 2,595.
- A \$35,000 increase in the base rate for reimbursement.
- 75% of qualified veterans would have home values that would equal or exceed \$175,000.
- 100% disability refers to a 100% physical disability not 100% occupational disability.
- 10% of the individuals classified as 100% disabled by the U.S. Department of Veterans Affairs are not permanently disabled.

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- 75% of 100% physically disabled veterans own homes.
- One additional staff person would be required in the Office of the Comptroller to handle the administrative responsibilities related to the increase in applicants.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a more stylized, connected manner to the middle initial "W." and the last name "White".

James W. White, Executive Director